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### Deposited in DRO:

11 February 2015

### Version of attached file:

Accepted Version

### Peer-review status of attached file:

Peer-reviewed

### Citation for published item:

Jones, D. G. B. and Tadajewski, M. (2015) 'Origins of marketing thought in Britain.', *European journal of marketing.*, 49 (7/8). pp. 1016-1039.

### Further information on publisher's website:

<http://dx.doi.org/10.1108/EJM-07-2014-0407>

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## **Origins of Marketing Thought in Britain**

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February 6, 2015

Forthcoming in *European Journal of Marketing*

### **Structured Abstract**

#### **Purpose**

The purpose of this paper is to document contributions to the early study and teaching of marketing at one of the first universities in Britain to do so and, in that way, to contribute to the literature about the history of marketing thought. Given that the first university business program in Britain was started in 1902, at about the same time as the earliest business programs in America, the more specific purpose of this paper was to explore whether or not the same influences were shared by pioneer marketing educators on both sides of the Atlantic.

#### **Design/methodology/approach**

An historical method is used including a biographical approach. Primary archival source materials included unpublished correspondence (letter-books), lecture notes, seminar minute-books, course syllabi and exams, minutes of senate and faculty meetings, university calendars, and other unpublished documents in the *William James Ashley Papers* at the University of Birmingham.

#### **Findings**

The contributions of William James Ashley and the Commerce Program at the University of Birmingham to the early twentieth century study and teaching of marketing are documented. Drawing from German influences similar to those on pioneer American marketing scholars, Ashley used an historical, inductive, descriptive approach to study and teach marketing as part of what he called “business economics”. Beginning in 1902, Ashley taught his students about a relatively wide range of marketing strategy decisions focusing mostly on channels of distribution and the functions performed by channel intermediaries. His teaching and the research of his students shares much with the early twentieth century commodity, institutional, and functional approaches that dominated American marketing thought.

#### **Research limitations/implications**

William James Ashley was only one scholar and the Commerce Program at the University of Birmingham was only one, although widely acknowledged as the first, of a few early twentieth century British university programs in business. This justifies future research into the possible contributions to marketing knowledge made by other programs such as those at the University of Manchester (1903), University of Liverpool (1910), and University of London (1919).

#### **Originality/value**

This paper adds an important chapter to the history of marketing thought which has been dominated by American pioneer scholars, courses, literature, and ideas.

## Introduction

At the turn of the twentieth century, England had one of the largest, most developed economies in the world and an advanced system of postsecondary education including, for example, Oxford University, Cambridge, and the London School of Economics. The British economy measured in GDP at that time was the fourth largest in the world behind only China, America, and Germany (Maddison, 2007). Despite a lower rate of industrial growth than her major foreign competitors, American and Germany, growth in commercial occupations dramatically outstripped that of other professions in Britain (Sanderson, 1972). At a time when the study and teaching of marketing was emerging in America, one would think that comparable developments were occurring in Britain.

The contribution of this paper is to the history of marketing thought. That particular field of study was pioneered by Bartels (1951; 1962) who chronicled the early development of American university courses and textbooks in marketing. American business schools were likely the first institutions of higher education in the world to offer courses of instruction in what we know today as marketing. In 1902 marketing courses were first offered at the Universities of Michigan, California, Illinois, and New York University, although “The Distributive and Regulative Industries of the United States”, offered in the second semester of the 1901-02 academic year by Edward David Jones at the University of Michigan preceded the others by at least one semester (Jones, 1912, chapter 2; Maynard, 1941). As Jones’s course illustrates, the term “marketing” did not usually appear in the earliest university course titles or, for that matter, in the first periodicals and books published about marketing. Terms such as “commerce”, “trade” and “distribution” were often synonymous with the idea of marketing as we think of it today (Jones and Shaw, 2002; Lazer, 1979). The timing of these developments in America and the terminology used in early marketing courses are important for the context of our study here of comparable developments in Britain.

Bartels (1951) identified two major centers of early twentieth century development in the study and teaching of marketing in America – the University of Wisconsin and the Harvard Business School. A deeper examination of the influences on the pioneer marketing scholars at those two institutions as well as others in America revealed strong influences by the German Historical School of Economics including an ideology based on social welfare and distributive justice, a pragmatic approach to instruction that included seminars and field trips for the purpose of observing practicing business managers and farmers, and an historical, inductive, descriptive, statistical approach to studying marketing as an applied branch of economics that, in America, became known as institutional economics and resulted in many early contributions to all three traditional schools of marketing thought – the functional, commodity, and institutional schools (Jones and Monieson, 1990). The focus of German economic historians on social welfare and distributive justice was manifested in macromarketing themes in early American marketing thought. Their pragmatic approach to teaching was, of course, intimately connected with their historical, inductive method of research contributing to the development of the case method of teaching in America which Converse (1945, p.10) noted as one of the most important concepts or techniques in marketing.

Most research into early collegiate marketing education has focused on the USA no doubt because that is where it first developed and because the American model of business education was later adopted throughout Europe and Japan (Engwall and Zamagni, 1998). There are a handful of studies of early marketing education in other countries including Canada (Jones, 1992), Japan (Usui, 2008), Denmark (Madsen and Pederson, 2013), and Sweden (Jonsson, 2009). However, very little research has been published about early contributions to marketing education in Britain. Compared with America and Germany, Britain was slow to develop a formal system of business education, likely due in part to a traditional anti-vocational, anti-technical bias in the British education system (Engwall and Zamagni, 1998; Sanderson, 1972; Vincent and Hinton, 1947). The purpose of a British university at that time was generally considered as providing a liberal education. Commercial education was considered by some in Britain to be something “cheap and nasty” (Bryce, 1899, p.696). While there was a noticeable movement towards higher education in business during and since the 1950s, as recently as the 1990s only two percent of directors of 2,000 British stock-market-quoted companies had an MBA (Engwall and Zamagni, 1998, p.14). Walker and Child (1979) examined the history of professionalism in British marketing including the training offered to those in marketing occupations. They focused on the British Sales Managers Association which was founded in 1911 and noted an absence of courses in British universities relevant to selling (1979, p. 30) quoting a trade periodical editorial from 1922 that sarcastically expressed doubts as to whether “any British university provided knowledge of greater value to the enthusiastic and potentially competent salesman than could be acquired at any public elementary school” (*Sales Promotion*, 1922, p.133). Wills (1978) suggested that since the first British business schools (Bradford and Cranfield) did not exist until the early to mid-1960s, marketing was not taught in British universities until then. We assume that Wills’ definition of business schools omitted other university programs in business that were not offered, strictly speaking, in a business “school”. In any case, it seemed unlikely to us that business programs offered by British universities earlier in the twentieth century included no study or teaching of marketing.

As long ago as the eighteenth century there was a relatively well-known proposal for formal business education in England (Norwood, 1961; Redlich, 1957). Among the eight subject areas in Postlethwayt’s (1774) proposed British Mercantile College was “A General Survey of Trade and Commerce” including marketing-related material such as the importance of trading port to port, knowing how and where to “buy cheap and sell dear”, and skill in freighting and hiring out ships. Redlich (1957) considered Postlethwayt’s proposal as one of the earliest for the academic instruction and training of merchants in Europe and certainly the earliest in England (p. 40) but it never came to fruition. The idea of collegiate training for business then lay dormant in England for about 100 years until a proposal for commercial courses in 1852 at King’s College, London, but nothing came of that plan either (Redlich, 1957, p.73).

At the turn of the twentieth century, three British universities – the London School of Economics, Cambridge University, and the University of Birmingham – made strides toward higher education in business (Sanderson, 1972). When the London School of Economics was founded in 1895 it was the first in England to provide training in economics and was to have included training for business, but instead became more a school for civil servants and politicians (Engwall and Zamagni, 1998). A degree program in commerce was not instituted there until 1919 (Smith, 1928). At Cambridge University, Alfred Marshall’s’ economic tripos was approved

in 1903. It was an attempt to link the study of economics more closely to business and industry (Sanderson, 1972). The curriculum included economic history, law, the structure and problems of modern industry, wages and conditions of employment, banking, and international trade (Nishizawa, 2002). However, while Marshall succeeded in making the study of economics at Cambridge more relevant to business, it was not really intended as a business or commerce program in the sense of those in America or Germany at that time (Smith, 1928; Sanderson, 1972).

The Faculty of Commerce at the University of Birmingham founded in 1902 under the direction of William James Ashley was the first such British university program to provide higher education in business (Ashley, 1938; Fauri, 1998; Redlich, 1957; Sanderson, 1972; Usher, 1938), indeed the first in the British Commonwealth. There soon followed commerce programs at Manchester University (1903) and the University of Liverpool (1910). However, we focus here on the University of Birmingham. The founding dean, William James Ashley, designed the University of Birmingham's Commerce Program and taught the courses considered to be the core of that program.

The purpose of this paper is to document contributions to the early study and teaching of marketing in Britain and, in that way, to contribute to the literature about the history of marketing thought. Given that the Birmingham Commerce Program was started in 1902, at about the same time as the earliest business programs in America, a more specific purpose of this paper was to explore whether or not the same influences were shared by pioneer marketing educators on both sides of the Atlantic. Was marketing or marketing-related material part of the early study and teaching of business at the University of Birmingham? And if so, what was the nature of any such marketing ideas and the influences on their development?

### *Primary Source Material and Analysis*

Historical research requires a coherent recreation of what happened in the past and the significance of what happened. Primary source materials are important for historical research because they allow the historian to get into the minds of the subjects, to see the world as the subjects did (Fullerton, 2011). Further in that connection, it's important to understand the past on its own terms. While the idea of "marketing" may have shared much with our understanding today, it was nevertheless different, at least in terminology. Source materials must be read critically since much of the writing in any time period is written for self-serving purposes or advocates a particular point of view.

This study relies in part on a biographical approach, that is, where the lives of significant individuals are documented in a thorough, systematic, and critical way. We began our research by identifying the first British university to offer business studies (and therefore, we assumed, marketing) – the University of Birmingham. It quickly became apparent that the driving force behind the design of the curriculum and teaching the courses most likely to include marketing ideas, was William James Ashley, and that his education and prior experience studying and teaching economics, and therefore the influences on his ideas, were shared by many of the pioneers in American marketing education.

The *William James Ashley Papers* held at the Cadbury Research Library, University of Birmingham Archives, was an important collection of primary source materials for this study. The *Ashley Papers* include correspondence between Ashley and key individuals such as the German economic historian, Lujo Brentano (see also, McCready, 1955), and American institutional economists Richard T. Ely and Henry C. Adams, photocopies of lecture notes, unpublished papers and presentations by Ashley, as well as the minute books of Ashley's commerce seminar. Other relevant archival sources included University of Birmingham course syllabi and exams, minutes of the Commerce faculty meetings, university calendars, letter books of the Dean of the Faculty of Commerce (Ashley), and other unpublished manuscripts including one student's complete set of notes for Ashley's course on Business Policy, a veritable gold mine of insights into that course. As another student wrote in Ashley's obituary, "As a lecturer his slow speech and long pauses made it easy for students to 'get him all down', and many notebooks must have been verbatim reports" (Heaton, 1927, p.684).

There were two separate but related themes in Ashley's published work, economic history and business education. His earlier research in economic history earned him "quick and deserved success... he stood in the first rank of historians... but wrote no more history for thirteen years after his return to England [in 1901]" (Clapham, 1927, p.681), and little of it even later in his career. Most of his publications after returning to England were about business education. While they are published materials, Ashley's writings about business education during the time that the Birmingham Commerce program was founded are nevertheless considered primary sources since they came into existence during the period of interest. There is also a small, but useful, literature about the history of the University of Birmingham, its Faculty of Commerce, and other biographical material about Ashley (Smith, 1974; 2006), and these materials helped establish the historical context for the study of marketing at the University of Birmingham in the early twentieth century.

### **William James Ashley and the Faculty of Commerce at the University of Birmingham**

The first British university degree program in business was the Faculty of Commerce founded in 1902 at the University of Birmingham under the direction of William James Ashley (1860 – 1927) who served as Dean and Professor of Commerce. The impetus for a faculty of commerce came from the Birmingham Chamber of Commerce in 1898 (Neil, 1902; Sanderson, 1972). In 1900, after visiting "similar institutions in the United States and Canada", an advisory committee on commercial education recommended to the board of the University of Birmingham the formation of a Faculty of Commerce (Adamson, 1901). Smith (1974, p. 12) notes that those institutions visited by the advisory committee included the University of Wisconsin, where their Course in Commerce was formally established in 1900, as well as the Wharton School at the University of Pennsylvania founded in 1881, and the University of California. As noted earlier, the University of Wisconsin was an early center of influence on marketing education and the University of California was among the first to offer marketing courses in America (Jones, 2012, chapter 3). The University of Birmingham advertisement inviting applications for the Faculty's first dean noted that "the Council does not wish to limit its choice by specifying in what department the first Professor shall be a specialist, but assumes that it will probably be in one or more of the following subjects: Economics, Industrial Organization and Administration, Finance

and Statistics, Commercial Law, or Commercial History” (Adamson, 1901, p.51). They needed someone who could clarify the content of what should be taught in commerce, then teach that curriculum, and sell the program to potential students as well as to employers in the British Midlands. They got that in the economic historian, William James Ashley.

Ashley was born in London in 1860, the son of a journeyman hatter. Scholarships and a trust fund enabled him to study history under Arnold Toynbee at Oxford but with a strong interest in economics. To develop the latter, Ashley also visited Germany no less than four times (1880, 1883-84 at the University of Heidelberg; and 1902) and studied the works of German economic historians, especially Lujo Brentano and Gustav Schmoller. Inspired by Toynbee and guided by the scholarship of the German Historical School of Economics, Ashley was later considered by some to be the leader of the English Historical School of Economics (Koot, 1987; Scott, 1928). He has been compared with Gustav Schmoller, the leader of the so-called “younger” German Historical School, to whom Ashley dedicated his (1900) *Surveys Historic and Economic*. In that dedication, Ashley wrote “for a dozen years I have received more stimulus and encouragement from your writings than from those of any other” (Ashley, 1900, p.vi). In 1910 Ashley also received an honorary doctorate from the University of Berlin. Of all the English economic historians, “perhaps only Ashley was fully in sympathy with the German historicist aim of laying a foundation for a new and historical economic theory to be derived inductively from patient historical research” (Koot, 1980, p.202). This placed Ashley in the company of American institutional economists who became pioneer scholars in marketing (Jones and Monieson, 1990).

His research in economic history focused mostly on the middle ages when marketing was characterized by the gild system where “there was a market, i.e. there was demand from persons outside the family, but it was small and comparatively stable” (Ashley, 1887, p.72). His writings about this period focus on the various institutions including merchant guilds, journeyman clubs, and trade clubs of the middle ages, but primarily about the evolution of their legal rights rather than on the actual trading activities of these early marketing institutions.

“Wants were comparatively few and unchanging; they were supplied by neighboring craftsmen; consumer and producer stood in direct relation with one another. Such regulations had regard, not only to the interests of consumers, but also to those of the craft itself, which would be injured by the knavery of individual members. They [merchant guilds] only disappeared when production became much greater and aimed at satisfying a wide and changing market” (Ashley, 1888, p. 95).

Only then, after the disappearance of the gild system, during the fifteenth to eighteenth centuries and what Ashley called the “domestic system” period, did marketing channels and merchandising practices really develop.

“... the master had lost his economic independence and no longer acted as a shop-keeper or merchant. He often received the raw material from, and always gave up the finished goods to a merchant, factor or middle-man of some sort who took the risk of the fluctuating demands of that greater market which had now come into existence” (1887, p.73).

In 1888 at the age of 28 and after marrying Margaret Hill, Ashley was appointed the first Professor of Political Economy at the University of Toronto. In his first full time academic

position he developed and taught courses on the elements of political economy, the history of political economy, and current economic issues. Most of his teaching was by lecture. However, he also organized an Economics Seminar, “at the weekly meetings of which students took turns in reading a paper, acting as reporter, and acting as critic” (Ashley, 1938, p.40). In its method, the latter foreshadowed an important course he later taught at the University of Birmingham.

Because his position was a new one at the University of Toronto, Ashley felt that his inaugural lecture should explain what his subject comprised.

“...the great achievement of German thought in the last fifty years – the discovery and application of the Historical Method, had already transformed the study of Law when it passed to Political Economy.... It is asked what light is thrown upon the difficulties of today by merely antiquarian research into the guilds of the fourteenth century. Much more, perhaps, than the critic supposes. But the method I mean is the method of direct observation and generalization from facts, whether past or present; a method you can call ‘inductive’ if you wish to be polite, or ‘empirical’ if you wish to indicate scorn... It seems to me that the economist could examine, for instance, the position of the agricultural interest in Ontario by just the same sort of method... So the economist will not aim at ending with a ‘law of rent’ or a ‘law of production’ based on Ontario facts, but with a picture of Ontarian agriculture and of the influences that will affect it...” (Ashley, W.J., quoted in Ashley, A., 1932, pp.50-51).

The value Ashley saw in the historical method was that an understanding of economic history was the foundation to understanding current economic problems or conditions. He always insisted on the value of the inductive, historical method of study (Ashley 1900; 1902; 1903a; 1903b; 1906; 1908), and that the study of economic history must have a practical purpose (1902; 1906; 1908). “I have never been ashamed to be frankly and nakedly utilitarian in the curriculum I have recommended” (Ashley, W.J., quoted in Ashley, A., 1932, p.96).

In 1892 Ashley left the University of Toronto to accept a position as the first Professor of Economic History at Harvard University where he spent the next nine years teaching courses in economic history and applied economics, and serving as associate editor of the *Quarterly Journal of Economics*. One of his Harvard colleagues in economics at that time and editor of the *Quarterly Journal of Economics* was Professor Frank W. Taussig who, along with Edwin Francis Gay, was one of the founders of the Harvard Business School (Cruikshank, 1987). During his time in North America Ashley wrote and published extensively about English economic history (see especially, Ashley 1887; 1888; 1900). In his later lectures on commerce at Birmingham there is tangible evidence of his belief that the study of economic history, specifically of the evolution of institutions involved in the distribution of goods, should have practical relevance since some of the material in his own publications was used to set the foundation for discussions of then-current commercial (including marketing) problems (e.g. Ashley 1887; 1888; 1900).

We know that during his 13 years in America from 1888 until 1901 Ashley was aware of the training for business that was being developed then in American universities. Although the Harvard Business School did not open until 1908, toward the end of Ashley’s tenure at Harvard there was increasing discussion there of the possibility of offering training for business executives and Ashley’s “work at Harvard was being developed to meet these new needs” (Usher, 1938, p.151). The first dean of the Harvard Business School, Edwin Francis Gay, was an



economic historian at Harvard who, like Ashley, was very much influenced by German Historical Economics (Herbst, 1965; Jones and Monieson, 1990). The two shared a belief in the value of inductive, historical reasoning as the basis for studying and teaching business. Writing at about the time the Birmingham program was launched, Ashley also made direct references to the commerce programs at the University of Wisconsin, University of Michigan, and the Wharton School at the University of Pennsylvania (Ashley, 1902).

Ashley longed to return to England and the opportunity to develop a new faculty of commerce at the University of Birmingham seemed a good fit with his views of economics and business training. He was hired as the dean of the new faculty in July 1901 and courses were first offered in the autumn of 1902. From the inception of the program until 1909, Ashley was “responsible for the entire arrangement of lectures – in that year [1909] he passed responsibility to individual lecturers for their own classes” (Smith, 1974, p.43; Ashley 1907, p.15). This is important because it highlights the influence that Ashley had, not only over the design of the curriculum, but also over the content of most of the courses for the first several years of the Commerce program.

During the year between his hiring in 1901 and the announcement of the curriculum in 1902, Ashley visited Germany to investigate the German Handelshochschulen (Business Schools) at Cologne, Leipzig, Aachen, and Frankfurt. He later described these “German educational experiments” in an article published in *The Times*.

“... with regard to economics, which in some form or other furnishes the backbone of every curriculum... in Germany that term includes a far wider range of topics treated in large measure descriptively, statistically, and historically, than is the case in England.... It may, however, be also urged that in training future men of business, the economist should not all the time occupy the standpoint of national production and distribution [as German Historical Economics did]; that he would do well to put himself in the position of the individual man of business and that he should try to obtain from economic literature and from current experience some light upon the way to tackle these general questions of policy which from time to time confront every merchant and manufacturer.... Here is the field for a true, industrial ‘Betriebswirtschaftslehre’, [business economics] which shall be more than that collection of coffee rules which is sometimes dignified in Germany by the name” (Ashley, 1903a).

Ashley believed that the study of business was essentially one of applied economics and that the historical method was best suited to developing knowledge of business. However, while the German Historical School of Economics provided a model of *how* to study and teach business, its focus on national or social (macro) economics was not particularly useful to businessmen (Locke, 1984; Meyer, 1998). The German Handelshochschulen recognized that gap but in 1902 when Ashley was designing the business program at Birmingham their version of business economics was inadequate - too narrowly focused on accounting, production, and engineering. Ashley would have to develop his own.

When he returned to England from Germany, Ashley wrote his manifesto for the new program: “The Faculty of Commerce in the University of Birmingham – Its Purpose and Programme” (1902). He clearly acknowledged that business schools in Germany and America had provided the “motivation” for the new Faculty of Commerce and, in particular, applauded

the attitude of Americans toward the study of business. The Birmingham program would address the concerns, “not of the rank and file, but of the officers [of business firms], those who, as principals, directors, managers, secretaries, heads of departments, etc., will ultimately guide the business activity of the country” (1902, p.1). In that way, Ashley was clearly differentiating his program from the German business schools which he believed were aimed at a lower level of business training. Since his manifesto was targeted at prospective students and employers, it did not go into detail about the use of the historical method, but he connected the use of the inductive method to the program’s pedagogy in the following way.

“It is not pretended for a moment that text books exist on ‘Commerce’ so understood.... [however] The world has now had a long enough experience of modern means of production and modern means of communication for the accumulation of a large fund of experience...[to allow] a body of principles of policy deduced from current practice. The place of the academic teacher is not to elaborate some a priori theory, but to gather, arrange, and present lessons of practical experience... a good deal more material in the shape of recorded experience exists than is commonly supposed... [it] must first be got together and codified; and supplemented by constant references to the current experience of the leaders of commerce in the neighborhood” (Ashley, 1902, pp.2 and 13).

That was simply another way of expressing the historical method as applied to teaching and learning about business. Just a few years later he added,

“His [teacher] function is rather to collect examples as a naturalist collects specimens, of the way in which they have actually been dealt with, successfully or unsuccessfully, in real instances. These he will classify and arrange; he will bring to bear upon them all the knowledge of industrial history.... The materials lie all around us in the reported proceedings of companies; and American economists are already showing us how to use them” (Ashley, 1906, p.10).

Instead of writing “as a naturalist collects specimens”, Ashley could easily have written “as an economic historian gathers historical evidence”.

In the first year of classes at Birmingham (1902-03), Ashley arranged for ten lectures to be given by various businessmen from the British Midlands, “all of them authorities in their respective fields”, and later the content of all ten lectures was published under Ashley’s editorship as a “modest contribution to the preliminary survey and description of English business life” (Ashley, 1907, p.3). The industries covered in those lectures included the British cotton industry, woolen and worsted industries, linen and flax, railways, British shipping, the trust movement in Britain, and a lecture on the iron and steel industry by the Secretary of the British Iron Trade Association who included in his notes a discussion of “marketing and distribution” of steel (Ashley, 1907). By “marketing”, the author meant selling and distribution through various channels and using various middlemen including merchants and agents. He included a clear answer to the question asked and answered years later in America about the value of intermediaries in channels of distribution. Keep in mind that this was being taught at the University of Birmingham in 1902-03.

“We all know that the suppression of the middleman has been a popular cry with manufacturers and economists, as well as with buyers, for generations; but he will not be suppressed. The merchant usually has a better knowledge of the conditions affecting different markets than the producer. He comes more directly in contact with the buyer; he knows better to whom credit can safely be given, and is prepared to risk credits that the

manufacturer would often refuse; he is well posted in railway and shipping rates and conditions, understands the peculiarities, practices, and requirements of particular markets, and has all other necessary commercial information, including freights and tariff duties, at his fingers' ends. On the whole, therefore, it is probable that the merchant will continue as hitherto to play a leading part in the principle industries of this country, the iron trade included" (Jeans, 1902, in Ashley, 1907, pp. 21-22)

In other words, channel intermediaries perform functions essential to marketing exchange including buying, selling, risk taking, market information, and financing. You can eliminate the middleman, but not his functions. While the term "functions" was not used, the *idea* is unmistakable. Clearly this was an example of generalization from historical evidence to the principle or concept of the basic functions of middlemen. And that is a concept still taught in any introductory marketing course today.

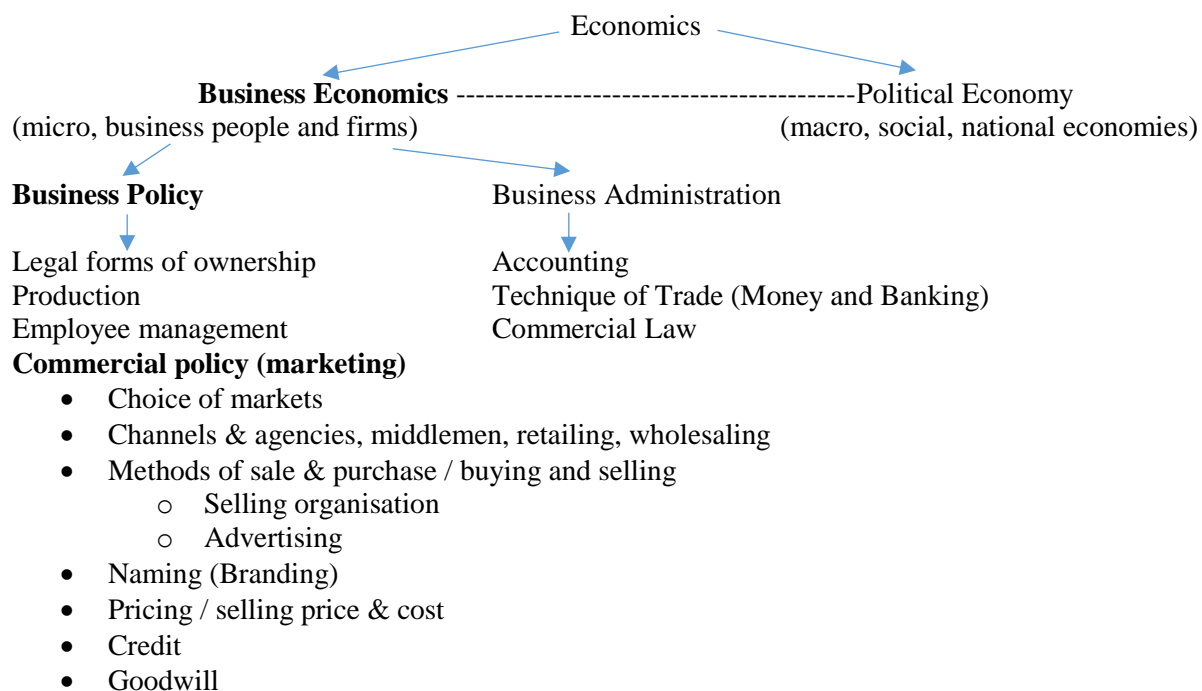
All of those ten lectures delivered in 1902-03, edited for publication by Ashley, included some discussion of the history of each industry. Under the topic "The merchanting system" in the lecture on the wool industry there was a discussion of the nineteenth century development of the various middlemen and channels in a range of woollen product categories that could easily be considered an example of the early American institutional and commodity schools of marketing thought, and it was a perfect historical extension of Ashley's own earlier research on the English woollen industry of the middle ages (1887). This collection of lectures delivered on Ashley's promise to gather, arrange, and present lessons based on practical experience, and they served as an example of what would follow in Ashley's own courses on commerce.

Much of Ashley's (1902) manifesto was devoted to outlining the curriculum which consisted of four main categories: (1) languages and history (European and American), (2) accounting, (3) applied science and business technique (including economic history), and (4) commerce. "The courses on commerce", Ashley wrote, "will give their colour to the whole scheme of instruction... they are intended to be the most characteristic feature of the Birmingham plan" (1902, pp.7 and 12). There were four of these courses in commerce required of all students, one each in the first (Commerce I) and second year (Commerce II) of the program, another (Commerce III, also known as "Business Policy") in the third and final year, and finally the "Commerce Seminar" which, in the early years of the program, was required of all students regardless of their year in the program. Ashley taught Commerce I, basically a history of British industry and trade. Commerce II was similar to Commerce I, however covered the United States, Germany, and other European countries, and was taught by another instructor, although as noted above, likely designed by Ashley. Most importantly, however, Ashley taught Commerce III – Business Policy, and led the Commerce Seminar, and it's in these two key courses that we find the most direct evidence of marketing ideas in the Birmingham curriculum. One of the reasons Ashley taught these himself was, as he explained, because he had "had experience of the successful working of courses of this character in Harvard University (1902, p.12) which, again, suggests that he had been involved in some of the early planning discussions about a business school at Harvard.

The two courses in the curriculum that dealt most clearly with marketing were Commerce III – Business Policy, and the Commerce Seminar. Ashley was the only instructor for the Business Policy course for several years and he led the Commerce Seminar with other faculty

members and all students, regardless of their year in the program, participating. Other than Accounting, and Finance (in the form of the course on “Technique of Trade”, later renamed “Business Technique”), the Birmingham program did not treat separately what we consider today as the various sub-disciplines of business (including marketing) as was typically done in American business schools, even then. It did not separate what we consider today as the core functional areas of business decision-making into separate silos, but rather covered production, management, and commercial policy (marketing) together as related parts of one course called Commerce III - Business Policy. To put this into some perspective, we need to understand Ashley’s concept of business economics of which business policy was a key part and under which we find commercial policy or marketing (see Figure 1).

**Figure 1. William Ashley’s Business Economics and Commercial Policy (Marketing)**



Adapted from Ashley (1902; 1908; 1926a; 1926b)

## **Business Economics and Marketing at the University of Birmingham**

Of course, Ashley believed that “the really constitutive and most characteristic part of a commercial curriculum at the university must be found in Economics” (1906, p.8), not Political Economy as generally conceived (too abstract and theoretical), not the Volkswirtschaftslehre (the social and national economics of peoples) that was taught in the economics departments of German universities, and not even the Betriebswirtschaftslehre (business economics) or Privatwirtschaftslehre (private economics) that was being developed in the German business schools. Ashley believed that the study of economics must be enlarged to include a business economics that took the viewpoint and interest of the individual business man or business

organization (1908; 1926a), something broader than what the term had come to mean in the German business schools which he believed focused too narrowly on Accounting. It must be based on economic history which would provide the background for detailed studies of the present-day questions and conditions of any particular trade. This business economics would examine business problems involving the “series of judgments one after the other on matters of policy” (1908, p.190).

“Business policy comes to be considered under two heads of ‘commercial’ and ‘manufacturing’. Of the two sides, it is, of course, the commercial that must control; it is of no use in business to make a thing, however, beautiful, unless it can be sold. Commercial policy is simply a matter of buying and selling – and of these processes as mutually determining one another; for buying of material and of services depends largely upon the price at which we can sell finished goods, and selling price depends largely on the cost of what one has to buy, the time and terms of purchase and sale, of the amount and length of credit to be accepted and granted, and the like... the agencies and channels for sale in the home and foreign markets, the relations to wholesale merchants and other middlemen, to agents or to branches, and the question of the purpose and methods of advertising” (1908, pp.195 and 197).

In short, the core of business economics was business policy comprising two pillars of decision-making – production, and commercial policy – as well as management (see Figure 1). And commercial policy or marketing was the driver of business policy. We get some sense of the relative importance that Ashley placed on marketing in his Business Policy course from the final exams in that course. Those exams typically included ten essay questions, at least two and sometimes four of which were specific to marketing (University of Birmingham, 1902-1910). Referring again to Figure 1, Ashley had used the phrase “business policy” as early as 1902, but did not begin to articulate what he meant by “business economics” until 1908. He never elaborated on what was included in “Business Administration”, but it would seem to have included Accounting, Finance, and Commercial Law. Since it was only taken in the third year of the program, his “Business Policy” course was not actually offered until the autumn of 1904. Interestingly, the Harvard Business School did not offer a course in Business Policy until 1911. When they did, it was very similar to what Ashley had already implemented years before at Birmingham, an upper level course that would integrate business decision-making adopting the vantage point of senior managers (Cruikshank, 1987, p.71). It is fairly clear to us that there were mutual influences between Ashley and his former Harvard colleagues who were instrumental in founding the Harvard Business School.

### *Teaching Commercial Policy (Marketing): “Business Policy” and the “Commerce Seminar”*

Ashley’s Commerce III - Business Policy course was lecture-based but there was a synergy between it and the Commerce Seminar which relied on historical case studies using the inductive, historical, descriptive approach, and on a Socratic method. It seems likely that the field trips and student research presentations in the Commerce Seminar provided some of the examples used by Ashley in his Business Policy course.

Commercial policy (or marketing) as covered in the Business Policy course at Birmingham included most of the elements of marketing strategy we think of today: choice of

markets, channels and their various agencies or middlemen, methods of buying and selling including personal selling and advertising, naming or branding products, the establishment of selling price, credit, and building goodwill. Much of what we know about this course is based on detailed notes taken by a student in 1905, some of it from Ashley's lectures published in 1926 but "on the lines of a course [Business Policy] I have been giving for years at the University of Birmingham" (1926a, p.vi). The assigned readings for the Business Policy course included, among others, selections from Ashley's major works on economic history (1887; 1888; 1900) as well as a volume of published "Lectures on Commerce" given at the University of Chicago in 1904 including "The Commercial Value of Advertising", "At Wholesale", and "The Credit Department of Modern Business" (Hatfield, 1904).

The topic "choice of markets" was important enough to be listed in the University Calendar description of "Business Policy" and clearly indicated an appreciation of market segmentation and the notion of using different policies or strategies for different markets. Ashley's views of marketing were consistently influenced by costs and efficiency – something he called a "broadening policy" – and therefore on profit (1926a). For example, he justified targeting multiple markets with differentiated prices as a means of achieving efficiencies in production and used a similar justification for diversifying both the number of products offered by one firm as well as the number of markets targeted since these policies would spread out fixed costs over a broader base of sales. In other words, firms targeted multiple markets because it was more efficient and profitable to do so. More interesting, perhaps, was his justification of diversifying product lines and markets to serve as a means of addressing seasonality of demand and thereby reduce risk for a firm. As examples, he cited a company in the greeting card business that diversified into printing books, and a motor car company that added "public service cars" (taxi cabs) to its main line of "ordinary traveling cars".

Channels of distribution warranted much attention including a relatively sophisticated understanding of the reasons for and against the use of intermediaries, a theme that Ashley wove through most of his lectures on marketing. His focus on channel intermediaries obviously built on his research into merchant guilds in economic history. He taught that channels tended to be longer (more middlemen) when handling perishable items, when transporting longer distances, and when a wider variety of products and markets was being targeted. Shorter channels tended to characterize the marketing of products with very high selling prices or requiring high technical knowledge (Ashley, 1926a). Middlemen were justified, in Ashley's view, as long as they resulted in more satisfactory price, time, place, regularity, or range of choice (1926a, p.58). He also recognized that advertising was changing the role of, and therefore need for, retailers.

"The function of the retailer has been profoundly modified by modern advertising....

Today the manufacturer or the merchant supplying the goods seeks by advertisement so to impress a name upon the general public that the retailer will be compelled to keep his particular goods.... [for example] There is a particular brand, we will say, of tea, with a rememberable [sic] name, which extensive advertising seems to have successfully printed on the public mind" (1926a, p.61).

In his lectures on "commercial middlemen", Ashley used examples from the furniture industry, bicycle trade, automobile industry, textiles, and the steel industry of the region surrounding Birmingham to illustrate the value of intermediaries and the functions they performed<sup>1</sup> (Tasaki, 1905). These examples were all based on local companies and industries. As Sanderson (1972,

p.197) notes, “Ashley ensured that his course kept in touch with the realities of business life in the Midlands through his own and his staff’s close contacts with local industrialists”. We also know from examining the minutes of Ashley’s Commerce Seminar that those contacts were further developed by Ashley’s own students through their visits to companies, their first-hand observations, and their research into the workings of those local businesses and industries. In that way, again, there was a symbiotic relationship between Ashley’s two courses.

Other examples of firms and industries that were assigned for student research in the Commerce Seminar and that served as examples in Ashley’s Business Policy course included London furniture retailers who attempted to integrate backward into manufacturing and Birmingham furniture manufacturers who integrated forward into retailing. Both were used by Ashley to demonstrate the advantages and disadvantages (or requirements) of adding channel functions such as retailing and advertising. He taught about the advantages and disadvantages of granting geographic monopolies to wholesale agents in the bicycle industry and the experiences of one cycle manufacturer that decided to circumvent agents altogether by selling direct to consumers through their own retail shops. But the increased cost of advertising and retailing, of course, more than offset the cost of agents’ commissions illustrating again the earlier cited principle that you can eliminate the middleman, but not his functions. Another example in the Business Policy course based on the motor industry, which was substantial in the British Midlands in the early twentieth century, explained the ongoing debate at that time about whether or not British motor vehicle manufacturers should enter retail distribution (Tasaki, 1905).

Next to channels, more attention was devoted to selling price than any other marketing topic in the Business Policy course. Ashley described price as the “fundamental question or phenomenon of business” (Tasaki, 1905). Here he made a point of distinguishing between the theory of price in economics as it had been developed to that point in time, and the way pricing decisions were actually made in business. For example, economists distinguished between price and value. Businessmen did not. Price was not simply determined by supply and demand, but by the “intensity of desire”. When economists wrote that market price depended on utility, they meant that it depended on “an individual’s [consumer’s] feeling or estimation of desirability”. In one of his lectures he pointed out the interesting notion that manufacturers actually try to adapt their costs of production to price rather than the other way around. There was also an interesting lecture on pricing under monopoly conditions and how merchants try to “secure a quasi-monopoly, some sort of special hold [control] of the market... by using trademarks [brands]” in order to influence price (Tasaki, 1905). The well-known British brand, Pears Soap, was used an example of this. Ashley even tied the concept of branding to price elasticity.

Another of the major marketing topics listed in the University Calendar description for Business Policy was “buying and selling”. Quoting the old adage that “goods well bought are half sold”, Ashley explained in one of his lectures what “well bought” meant and, not surprisingly, his rationale was consistent with the common sense of what later came to be known as the marketing concept.

“As a buyer of merchandise, he [the retailer] must be governed in his purchases, not by styles and qualities which manufacturers produce for the country at large, but by his own personal judgment as to the wants of his own particular customers... he has to think of

only one side – his customers... [the retailer needs to consider] the relation of the commodity to the desires of the customers” (Tasaki, 1905).

Ashley went on to distinguish between the commercial strategy of designing (for example, the quality of) products from what he called the moral strategy. From the commercial or marketing point of view, a product’s “quality should be related, not to the thing itself, but rather to the purpose to which it is desired”. In other words, product quality should be designed to meet customers’ expectations, not some morally determined level. It was a “commercial mistake to provide quality in goods beyond likely to be needed” (Tasaki, 1905). Ashley suggested that one of the reasons the Germans and Americans were invading the British market for machinery and tools at that time was because the products of English manufacturers were better finished, “finished for the finish’s sake, simply wasted”, and customers were not willing to pay for that level of quality.

Of course, Ashley’s coverage of “selling” included both personal selling (peddlers and commercial travelers were discussed) and advertising although, given the amount of information likely available on advertising at that time, there was relatively little coverage of these topics in the Business Policy course. He lectured on the history of advertising and how technology had reduced the cost of paper and therefore of print advertising, and had allowed advertising to become more visually appealing (Tasaki, 1905). In fact, in his coverage of advertising, Ashley commented on the “bewildering multiplicity of advertisements” at that time, demonstrating that opinions are always relative to their historical context. The primary objective of advertising, Ashley taught, was not to give detailed information but rather to create familiarity with the name of a company. The example he used for this was Cadbury Chocolates which was known for the outstanding artwork in its print advertisements but rarely included detailed information. For products sold to the general public, large in number, with greater effective demand, characterized by a range of wants and “owing to the spread of education”, advertising was important. On the other hand, he also pointed out that for some businesses, especially those in markets with small numbers of customers or requiring a high degree of technical knowledge (the example used here was manufacturers of ships), there was no need for advertising. The same applied to firms who did not deal with the general public but, rather, with other manufacturers or with the government. This emphasis on the relative advantages and disadvantages of advertising, especially as compared with personal selling, was highlighted in a question posed on the final exam for Business Policy in 1908.

“Can any general principles be laid down with regard to Advertising from the point of view of business policy? Take some trade with which you are acquainted, and compare Advertising with other possible means of bringing about an increase in sales” (University of Birmingham, 1902-1910).

While he may not have used the term “principles” in his lectures cited above, Ashley clearly used generalizations based on the inductive method, from facts based on direct observation of the many local examples gathered for his lectures. From the examples above, advertising works best with products sold to the general public in large numbers, whereas commercial travelers (personal selling) works better in markets with small numbers of customers requiring a high degree of technical knowledge. And channels tended to be longer when handling perishable items and when transported long distances, whereas channels tended to be shorter where selling prices were relatively high or products required technical knowledge.



As mentioned earlier, Ashley's course in Business Policy borrowed from and reinforced his Commerce Seminar which was quite unique for undergraduate business education at that time. As one of his students later observed, "as a teacher he could apply the Socratic method with great skill" (Heaton, 1927, p.683). The Commerce Seminar obviously borrowed from the seminar method of teaching used in German economics courses and foreshadowed the case method later developed by the Harvard Business School. The purpose of the Commerce Seminar was,

"to train students in independent investigation and reasoning... A subject is assigned some weeks beforehand to each member of the Seminar. He consults the literature of the subject and makes such inquiries as the Professor [Ashley] may suggest; and then prepares a paper which is read at the Seminar" (University of Birmingham Calendar, 1903/04, p.347).

At each meeting of the seminar, one or more students would present their research findings followed by questions from Ashley and Adam Kirkaldy, the faculty member who also taught Commerce II. Each student presentation was followed by a general discussion by the seminar participants who included all students registered in the commerce program. One student served as secretary for each session and produced a two or three page summary of the presentation and discussion. These notes were gathered and saved as the "Minutebooks of William Ashley's Commerce Seminar" and provide a remarkable record of student research and seminar discussions from 1903 through to 1919. Since the seminar met weekly through the academic year, there were approximately 20 sessions and therefore 20 or more research presentations in a given academic year.

Figure 2 lists a sample of topics that were assigned during the earlier years of the Commerce Seminar, topics that included much discussion of marketing, and of the source materials used in preparing some of those papers for the seminar. There was an obvious structure or approach shared by most of these student papers. They were essentially case studies starting with an historical sketch of the company or industry assigned, followed by a description of then-current practices, sometimes comparing those practices with other industries or in other countries. The business practices often included one or more from marketing, but in that case most commonly dealing with various aspects of distribution channels. These seminar presentations about channels, middlemen, and the functions they performed, bore a strong resemblance to the commodity, institutional, and functional studies that characterized much of American marketing in the first half of the twentieth century. Some examples of the channel-specific seminars discussing the various institutions and their roles as intermediaries include "Organization of Retail Trade", "Classes of Business Through Which Goods Went Before Reaching Customers", "Merchanting Hardware", and "Branch Offices and Agencies". Commodity studies that nevertheless included much discussion of channels included "The Agricultural Markets of Birmingham", "The German Toy Trade" and (the following week for comparison purposes) "The French Toy Trade", "The Carpet Industry", "The Birmingham Jewelry Trade", "The Motor Industry", "The Leather Trade", "Flour Milling", and so on. Because of the inductive, descriptive approach that students were encouraged to use, and no doubt because these were, after all, undergraduate students, the presenters seldom attempted to define or conceptualize their topics. One exception was "The Merchanting of Hardware" where the student made a point of defining his use of the terms "merchant", "merchanting", "factors", and "jobber" – drawing a distinction between the use of "factor" in Britain with "jobber" in

America. In this particular seminar, merchants (wholesalers) in Britain were described as being “assailed” by commission agents and, in America, by manufacturers using catalogues to sell direct to consumers. “Merchanting” included all the processes of distribution carried on in wholesale quantities but excluding the direct trade of manufacturers and retail shop-keeping. Those processes (functions) included assembling an assortment of goods, sorting into small quantities, extending credit, storing goods, shipping, and providing information to manufacturers and retailers. The student presenter concluded “the manufacturer and retailer would suffer if the middleman was eliminated”. This session and others that discussed channel intermediaries, the functions they performed, and their resulting value in the process of distribution anticipated later debates in the American marketing literature – and answered them.

**Figure 2. Commerce Seminar Marketing Topics Assigned and Source Readings and Materials**

Topic Assigned (date)	Readings and Source Materials
The Organization of Retail Trade (1903)	
Branch Offices, Agencies, Their Organization (1904)	
The Markets of Birmingham (1904) [agricultural]	Guide books, and people actually engaged in the markets
Carpet Industry (1905)	Actual specimens of carpet
Lancashire & Some of Its Industries (1905) [cotton, lumber, woolens, flannels, glass, flax, iron foundries]	Board of Agriculture Report; Baine’s History of Lancashire; The History of the Port of Manchester
Birmingham Jewelry Trade Past and Present (1905)	<i>The Industrial History of Birmingham</i> ; <i>The Birmingham Hardware District</i> ; Interviews with local companies
The German Toy Trade (1906)	
The French Toy Trade (1906)	London agent of a French firm; <i>Dictionnaire du Commerce</i>
Birmingham Exhibition [Motor Trade] (1906)	Visit to the exhibition
Commercial Methods [wholesale vs retail] (1906)	
Motor Industry (1907)	Visit to the Humber Motor Works in Nottingham
Olympian Motor Show (1908)	Visit to show as well as to Daimler Motor Works and BSA Motor Works; photographs
American Consumers’ League (1908)	Guest speaker: John Graham Brooks, first president of the National Consumers’ League
Business Organization and Marketing of the Carpet Industry (1910)	
Corn Merchants (1910)	Internship at Messrs. Dreyfus Merchants
The Merchanting of Hardware (1911)	First-hand information; trade papers

Sources: Ashley, W.J. (1902-12; 1917-18)

Marketing functions or strategic decisions were featured in many of these presentations but sometimes a paper would focus on one or more areas of marketing strategy as in “Commercial Methods” (1906) which discussed the use of trade shows such as the Birmingham

Motor Exhibition as a form of advertising, and what is known today as price skimming strategy. The seminar notes included description of the ability of larger firms to control channels and set prices so as to “skim the cream” and thus reap a large profit. That is the first use of the idea of price skimming of which we are aware and may not have appeared in publication until half a century later when Dean (1951) wrote “the strategic decision in pricing a new product is the choice between (1) a high initial prices that skim the cream of demand and (2) a policy of low prices from the outset... for market penetration” (p.419). It’s uncanny that Dean used the exact same phrase “skim the cream” as appeared in Ashley’s Commerce Seminar notes in 1906.

One of the earliest Commerce Seminar sessions dealt with the “Organization of Retail Trade” (1903) and emphasized the importance of location, the use of vans for delivery, and the critically important selling role filled by “shop assistants”. One gets the reassuring impression that the student making this presentation believed that selling was the most important work carried out in a retail establishment. According to the seminar minutes, in answer to a question from Ashley about the methods used by [clothing] retailers for buying, the student noted that “trade was frequently put out by the fickleness of the lady customers who were never certain of what they would wear in the near future” (Austin, 1903 in Ashley, 1902-12).

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William Ashley retired as dean in 1925 at the age of 65 and died just two years later. During the first World War, he served on several government commissions related to problems of food supply and was knighted in 1917 for his public service which continued through the latter years of his career when he served on Balfour Committee on Industry and Trade. Toward the end of his life he wrote,

“I think that the Birmingham experiment has justified itself. I have seen several University generations of immature boys of seventeen and eighteen pass into the commercial world after three years, and when I have come across them afterwards, I have found them efficient men of business and citizens of liberal interests” (quoted in Ashley, 1938, p. 45).

And we are quite certain that some of them became successful marketers.

## **Conclusions**

The origins of university marketing education in Britain are clearly identified in the Commerce Program founded at the University of Birmingham in 1902 under the design and direction of William James Ashley. His legacy as a scholar, administrator, and teacher includes important contributions to the early study of marketing in Britain. As the first Professor of Economics at the University of Toronto and first Professor of Economic History at Harvard, Ashley was a pioneer in the study of economic history. As the dean of the first university commerce program in the British Commonwealth, he was also a pioneer in business education among the first to teach marketing in Britain. Indeed, one of Ashley’s American colleagues, William A. Scott, wrote that Ashley “suffered from being a pioneer” (1928, p.319), a reference to Ashley spreading himself so thin that he may not have contributed as much as he might otherwise have to scholarship. His contributions to scholarship, while modest in number, nevertheless gave him

credit by some as the leader of the English Historical School of Economics (Koot, 1987; Scott, 1928). As such, he brought the same inductive, descriptive approach to the study of marketing. Although it was never a major focus of Ashley's research and writing in economic history, he recognized that marketing was a key part of business practice and therefore, as an administrator, he gave the subject a major role in the curriculum he designed and implemented at the University of Birmingham. As the dean of the Faculty of Commerce, he wrote extensively about business education and it is there that we find his views about the nature and role of marketing in business. He gathered examples of marketing from industrial history and from local businessmen to use in his teaching. Perhaps because the Birmingham Commerce Program was intended for training senior managers, marketing was taught as part of business policy rather than a separate discipline as it was in America.

If we look beyond our twenty-first century marketing terminology to the ideas behind those concepts, it's not difficult to find evidence of their existence in early twentieth century university education for business – including Britain's. In 1902 at the University of Birmingham, William James Ashley designed a business curriculum that included something he called "commercial policy" as one of the core elements of business policy which he envisioned to be part of an enlarged economics, a business economics that would be studied using the historical, inductive, descriptive methodology pioneered by the German Historical School of Economics, also applied by American institutional economists to the study of marketing in the early twentieth century. Ashley's business economics, including marketing, was taught using the same basic approach as the seminars in German Historical economics and case method at Harvard – by gathering and recording the actual experiences and evidence of marketing practice and using that to develop generalizations about marketing strategy in Britain. The resulting historical, descriptive accounts of market selection, design of distribution channels, methods of attracting demand, setting prices including the use of credit, branding products, and selling and advertising, were used as the basis for many of his course lectures as well as topics assigned to students for their own research in the University of Birmingham's Commerce Program in the early twentieth century.

Ashley drew on his training in German Historical Economics, just as many American pioneer marketing scholars had, for his methods of research and teaching. His ideas were filtered by his experiences from 1892 through 1900 as a member of the faculty at Harvard University and mirrored by later developments at the Harvard Business School. He acknowledged awareness of the ideas about business and marketing being developed and taught in American universities at about the same time as he was developing his at the University of Birmingham. Perhaps not surprisingly, this resulted in historical, descriptive studies of the individuals and institutions in a wide variety of British industries and of the decisions, activities, and processes thus carried out – all bearing a strong resemblance to the so-called commodity, institutional, and functional approaches that characterized the study of marketing in America during the first half of the twentieth century. Admittedly, Ashley was not a marketing specialist. Nevertheless, his own writings about business education, business economics, and business policy, included a prominent role for what he called "commercial policy". The range of marketing topics covered in his courses was considerable although with a clear emphasis on channels of distribution. In that way, Ashley's pioneering efforts to teach marketing in Britain were quite similar to those in America.

These developments in British marketing ideas and education occurred much earlier than previously thought (Walker and Child, 1979; Wills, 1978). There are a few likely explanations for why this has gone undocumented until now. The prevailing anti-technical, anti-vocational bias of the British university system during the nineteenth century meant that business education lagged behind other developed countries, notably Germany and America, and was slow to develop. Although a few British universities launched business or commerce programs during the early twentieth century, business schools in name were not founded until the 1950s (Wills, 1978) and as recently as the 1980s there were still only twenty such schools in Britain (Engwall and Zamagni, 1998, p.14). It wasn't until after the Second World War that business school graduates were increasingly appointed to top executive positions in British firms. While there has long been a tradition of British scholars studying business history, especially retailing history, the history of business and marketing education has apparently not been on the radar of British historians.

William James Ashley was only one scholar and the Commerce Program at the University of Birmingham was only one, although widely acknowledged as the first, of a few early twentieth century British university programs in business. We hope that this research stimulates further research into possible contributions to marketing knowledge made by other programs such as those at the University of Manchester (1903), University of Liverpool (1910), and University of London (1919).

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<sup>1</sup> Arch W. Shaw is generally acknowledged as the first to list and categorize the basic marketing functions in 1912 (Sheth *et al.*, 1988) and, as one of the first students at the Harvard Business School, his work on marketing functions was the direct result of a class assignment given to him by the dean, Edwin Francis Gay (Jones and Monieson, 1990). Shaw's course paper was an historical, descriptive, statistical study of the role of merchants in the British economy and he credited that course assignment directly for his pioneering work on marketing functions (Shaw, 1950). The first use of the term "functions" we found in Ashley's work, functions in the sense used by Shaw and others in the functional school, is in an exam question for the Commerce III – Business Policy course in June 1906. That question read – "Consider the functions of commercial middlemen with special reference to some particular English industry" (University of Birmingham, 1902-1910).

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